

# California's Road to Recovery: Creating Opportunities from Federal Economic Stimulus Dollars for California's Workforce and Businesses

## Energy Efficiency and Conservation Block Grant and State Energy Programs

Mark Hutchison

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# Presentation Topics

- Overview of ARRA Energy Programs
- Program Goals and Priorities
- Energy Efficiency & Conservation Block Grant Program (Block Grant)
  - Small County/ City Pass Through
  - Discretionary Funds
- State Energy Program (SEP)
  - Proposed Allocations
  - Program Components
- Energy Star Appliances

# ARRA Formula Energy Programs

Total of \$11.3 billion in formula-based funding

- \$3.1 billion State Energy Program (SEP)
  - Energy Commission will receive \$226 million
- \$3.2 billion Energy Efficiency and Conservation

Block Grant Program

- California local governments (large cities and counties) will receive a direct award of more than \$302 million
- Small cities and counties will receive at least \$29 million through the Energy Commission
- Energy Commission will receive \$49.6 million
- \$300 million for Energy Star Appliance Rebates
  - California will receive \$35 million
- \$5 billion for Low Income Home Weatherization
  - Department of Community Services and Development will receive about \$186 million

# Overarching Goals for Program Priorities

- Degree of effectiveness in **stimulating the economy**, reducing energy use, attracting or retaining energy industries, and creating jobs in California.
- Potential to **expend money efficiently**, with administrative accountability and efficiency, including augmenting or leveraging existing state, federal, local and private programs.
- Potential to develop long-term, self-sustaining energy programs and **leverage public and private funding**.
- Potential to **achieve lasting and measurable energy benefits** consistent with the Integrated Energy Policy Report and Energy Action Plan “loading order”.
- Potential to **meet California’s energy policy goals** as defined by the Integrated Energy Policy Reports, ARB Scoping Plan, and Energy Action Plan, the Bioenergy Action Plan, energy legislation, and other relevant policy documents.

# Energy Efficiency and Conservation Block Grant Program

- Objective: Reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency
- Energy Commission to receive \$49.6 million
- Energy Commission filed application on June 25, 2009
- Awaiting federal approval and state budget authority

# EECBG

## Small City/County Pass-Through Funds

- Requires cost-effective energy efficiency (AB 2176)
- Allocation based on a per capita formula
- Base allocation of \$5.00 per person, using DOE population estimates
- Base allocation increased by unemployment rate
- $(1 + \text{Unemployment rate}) \times \$5.00$
- Establishes minimum funding levels:
  - \$25,000 per City
  - \$50,000 per County
- Allows for energy efficiency projects or direct equipment purchases
- Allocates approximately 70% of EECBG (ARRA requires a minimum of 60%)

# Program Design: Use of Funds

- Cost-Effective Energy Efficiency Projects
- Base on energy saved per \$ spent (not dollars saved), so utility rates do not matter
- Minimum of 10 million source Btu's per \$1,000 of EECGB funds spent
- Feasibility study is required to verify savings
- Direct Purchase Option
- Types of energy saving equipment will be specified

# EECBG

## Discretionary Funds

- Approximately \$13,000,000 will be available through a competitive program
- Minimum funding awards of \$500,000
- Program design discussions underway at Energy Commission, possible activities include:
  - Competitive grants for local jurisdiction partnerships
  - Set-aside for expanded activities (subject to legislative changes)



# EECBG Small Jurisdiction Funding

## Anticipated Schedule

06/25/2009	Application to US DOE
05/04/2009 – 07/07/2009	Develop preliminary Pass-Through Funding Guidelines
07/08/2009	Post preliminary Guidelines
07/14/2009 – 07/16/2009	Workshops (San Diego, Santa Ana, Redding, Ripon) to receive comments on preliminary Guidelines
07/24/2009	All public comments due
07/24/2009 – 08/06/2009	Revise comments into final Guidelines
08/07/2009 – 09/09/2009	Post final Guidelines for public review, simultaneously develop solicitation and reporting requirements from Guidelines
09/16/2009	Business Meeting approval of Guidelines
09/17/2009	Issue solicitation packages for grants
9/30/2009	US DOE approval expected
10/1/2009 – 2/15/2010	Grants applications accepted
10/15/2009 – 03/15/2010	Process Grant Applications
11/15/2000 – 03/31/2010	Issue Grants

# State Energy Program (SEP)

- Objective: Increase energy efficiency to reduce costs and consumption, reduce reliance on imported energy, improve reliability, and reduce energy production impacts on the environment
- Energy Commission to receive \$226 million
- DOE approved application on June 25, 2009; 50% of funds available
- Awaiting state budget spending authority

# Phase I: SEP Proposed Allocations

1. Department of General Services (DGS) Revolving Loan Program \$25 million
2. Clean Energy Workforce Training million \$20
3. Energy Conservation Assistance Account (ECAA) \$25 million
4. SEP School and Public Sector Matching Grants up to \$50 million

# Phase II: SEP Proposed Allocations

5. Clean Energy Systems Revolving Loan\* Program  
up to \$35 million

Targeted at private sector for Efficiency Distributed Generation, Combined Heat and Power; and Biomass Energy.

\* Funding agreements may include loans, grants or a combined grant and loan.

6. Energy Efficiency Programs  
up to \$96 million

Residential Retrofit

Non Residential Retrofit

Municipal Financing District

# DGS Revolving Loan Program- Energy Efficiency in State Buildings

- Achieve energy savings in identified state buildings through energy efficiency retrofits which include lighting, HVAC systems and controls
- Stimulate the economy and create jobs by purchasing substantial amounts of equipment and contracting with equipment installation providers
- The Department of General Services (DGS) will administer the revolving loan program for over 300 buildings from over 30 state departments throughout the State of California

# Clean Energy Workforce Training

## Program Goals

- Support regional workforce development training programs that focus on professional and personal skills
  - Energy efficiency
  - Water efficiency
  - Renewable energy (distributed generation and utility scale)
  - Clean transportation

## Funding Sources

- An Estimated \$47 million will be awarded to regional workforce development programs:
  - \$20 million from State Energy Program (ARRA)
  - \$15 million from Alternative and Renewable Fuel and Vehicle Technology Program (AB 118, non-ARRA)
  - \$12 million from Public Interest Energy Research program for green partnership academies (non-ARRA)

# Clean Energy Workforce

## Training Program

- Green building re-training and pre-apprenticeship training partnerships
- Clean energy re-training and pre-apprenticeship training partnerships
- Green building and clean energy career advancement training
- Alternative and renewable fuel and vehicle technologies workforce training

## Target Populations

- Green Building & Clean Energy
  - Unemployed or under employed and incumbent workers, with a focus on construction workers
  - New workforce entrants
- Alternative and Renewable Fuel and Vehicle Technologies Workforce
  - Unemployed, under employed and displaced workers
  - Incumbent workers, with a focus on transportation fuel, vehicle and component manufacturing related workers

# Energy Conservation Assistance Act (ECAA)

## Revolving Loan Program

- \$25 million to supplement available ECAA loan funds
- ECAA provides low-interest financing for energy efficiency, combined heat and power, demand reduction, and generation projects
- Eligible entities include:
  - Public Schools
  - Public Hospitals
  - Public Care Institutions
  - Units of Local Government
- Current Loan Rate is 3%
- Maximum Loan Amount is \$3,000,000 per application
- More information can be obtained by visiting <http://www.energy.ca.gov/efficiency/financing/>.



# SEP School and Public Sector Matching Grants

- SEP-funded grants will be available to public schools, colleges and other public agencies
- Recipients must match grant funds with Energy Conservation Assistance Act Loans
- Projects must meet Energy Conservation Assistance Act Criteria for cost-effectiveness
- Recipients may also use any utility incentive funds as matching funding

# Clean Energy Systems

- Targeting the private sector with up to \$35 million in ARRA SEP funds
- Focused on the following technologies:
  - Distributed Generation
  - Combined Heat and Power
  - Bioenergy
  - New Energy Manufacturing Facilities
- Propose principally revolving loans to sustain funding over time

## SEP Efficiency Retrofits - California Comprehensive Residential Building Retrofit Program

- Create jobs and stimulate the economy through a comprehensive program to implement energy retrofits in existing residential buildings
- Work with regional groups of local governments, utilities, community colleges, national energy programs, and private and public energy and building contracting experts to deliver a tiered approach to put Californians back to work
- The first two tiers will be based on simple checklist approaches that can be developed quickly and carried out with only limited training
- The third tier will be a deeper, comprehensive, whole-house retrofit approach consistent with the California Home Energy Rating System Program and the national Home Performance with Energy Star Program
- Coordinate with and leverage local affordable housing and neighborhood stabilization programs to bring the advantages of energy efficient housing to under-served, economically disadvantaged populations

## SEP Efficiency Retrofits - Municipal and Commercial Building Targeted Measure Retrofit Program

- The focus of this Program is to capitalize on low risk, high return efficiency opportunities across the state.
- The technologies selected for deployment must be market transformative
  - represent the best practice concepts for their specific applications
  - achieve significant energy savings compared to the existing technologies being replaced
  - be broadly applicable across the commercial building sector, and
  - provide ancillary benefits such as higher quality building environments and reduced maintenance costs that will increase customer acceptance and demand.
- Training entry-level workers to conduct the relatively straightforward energy audits necessary for these targeted measures is a key aspect of this program.
- Program participants can benefit from volume purchasing agreements with technology manufacturers to minimize payback periods.
- Examples of targeted measures include occupancy controlled bi-level lighting fixtures for parking lots, parking garages, exterior walkways, and building stairwells. Also some broadly applicable technologies for commercial kitchen ventilation and HVAC controls.

# SEP Efficiency Retrofits - Municipal Financing District Program

- To assist cities, counties and groups of cities and counties in implementing or continuing their own financing district programs to fund energy efficiency and on-site PV retrofits in the residential and commercial sectors
- To help ensure that local financing programs are structured to be cost-effective, sustainable, transparent and able to achieve the greatest energy savings for the amount invested

# SEP Efficiency Retrofits

## Anticipated Schedule

Through 07/16/2009	Develop draft guidelines
07/17/2009	Post draft guidelines
07/28/2009 – 07/31/2009	Workshops in Stockton, San Francisco and San Diego to receive comments on draft guidelines
08/05/2009	All comments due
08/08/09 – 8/20/09	Revise into final guidelines
8/21/09 – 9/21/09	Post final guidelines for public review, simultaneously develop solicitation from guidelines
9/23/09	Business meeting approval
9/30/09	Issue solicitation for bids
10/30/09	Proposals due
11/30/09	Announce winners
12/01/09 – 1/31/10	Issue awards to winning bidders

# Energy Star Appliances

- California will receive \$35 million
- Purpose is to supplement existing rebates for residential Energy Star appliances to encourage consumers to replace older appliances with high efficiency versions
- States to identify eligible appliances but are encouraged by DOE to include heating and cooling equipment, appliances and water heaters
- State Energy Offices must submit their initial application to DOE by August 15, 2009

# For More Information:

- Visit the Energy Commission's website at:  
[www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- California Economic Recovery Portal  
[www.recovery.ca.gov](http://www.recovery.ca.gov)
- Federal Energy Website:  
[www.energy.gov/recovery](http://www.energy.gov/recovery)